



ADDENDUM #2: DHHS Response to Vendor Questions

No.	Question (Section Ref.)	Answer
1	(2.1) Does the population for which the RFP applies only include Behavioral Health (Mental Health and Substance Use Disorder)?	The demonstration includes all New Hampshire Medicaid beneficiaries. However, given the behavioral health focus of the demonstration, the state has targeted the clinical interventions to the subset of Medicaid beneficiaries with or at risk for behavioral health conditions.
2	(1.3) Will awards be granted for the full five years or will there be an initial period and re-application for subsequent years?	No re-application is required. IDNs will be approved and eligible to possibly receive capacity building funds and possibly to earn incentive funds during Demonstration Years 2 through 5. The amount of incentive funding earned by each IDN will be dependent on the performance of each IDN in each reporting period.
3	(2.1) Are Managed Care Organizations (MCOs) eligible to participate in IDNs?	Yes.
4	(2.1) Will MCOs be expected to contract with IDNs going forward within the state's Medicaid program?	Prior to the state submitting to CMS contracts and rates for approval for any contract period beginning July 1, 2017, the state will submit to CMS a multi-year roadmap for how the state will implement a goal of using Alternative Payment Methodologies for at least 50 percent of Medicaid provider payments. In developing this roadmap, the state will engage with Manage Care Organizations, IDNs, providers and other stakeholders to evaluate payment model options, set payment methodology standards, and establish intermediate milestones. The expectations for the relationship between IDNs and MCOs will be further defined through this process. Please see Section 33 of the Standard Terms and Conditions of the waiver for more information.
5	(4.1) Will IDNs be compensated on a fee-for-service or capitated rate model? Will their revenue be based on total costs of care? If so, what experience will be used to develop total cost of care payment?	<p>Under the demonstration, IDNs will neither be reimbursed on a fee-for-service basis nor via a capitated model. The demonstration allows IDNs to earn performance-based incentive payments for achieving specified process milestones and clinical outcome goals. It is not a grant program nor a replacement for Medicaid managed care.</p> <p>Prior to the state submitting to CMS contracts and rates for approval for any contract period beginning July 1, 2017, the state will submit to CMS a multi-year roadmap for how the state will implement a goal of using Alternative Payment Methodologies for at least 50 percent of Medicaid provider payments. In developing this roadmap, the state will engage with Manage Care Organizations, IDNs, providers and other stakeholders to evaluate payment model options, set payment methodology standards, and establish intermediate milestones.</p>

New Hampshire Department of Health and Human Services
Building Capacity for Transformation Section 1115(a) Medicaid Waiver, #11-W-00301/1
#RFP-2016-OCOM-05-BUILD



6	(Appendix C, 9.3) How is the IDN Project Design and Building Fund funded?	The Special Terms and Conditions of the demonstration allow New Hampshire to use up to 65 percent of demonstration Year 1 funding for the Project Design and Capacity funds.
7	(Appendix C, 9.3) If up to 65% of the Fund's monies are available for distribution in year 1, what are the remaining funds earmarked for? Does the IDN get any of the remaining funds? If yes, how?	The state will award the remaining 35 percent of Year 1 funding (excluding state administrative and other expenses) to approved IDNs upon their receipt of approval of an IDN Project Plan, for the execution of the outlined projects.
8	(Appendix B, 9.2) Will IDNs take on insurance risk?	As previously communicated, funds under this demonstration are available to be earned by IDNs as incentive-based payments for meeting specific milestone and metric targets.
9	(Appendix E, 9.5) Will there be specific network requirements on IDNs other than what is outlined in the document? The document highlights types of providers like PCPs, CMHCs but does not say how many need to be in network. Will MCOs network wrap around these IDNs?	The state's expectations for the type of providers and social service organizations that must be included in the IDN are outlined in detail in a number of demonstration documents, including the draft Planning Protocol (Attachment C of the Special Terms and Conditions). Of particular note, IDNs must ensure that a majority of the individuals attributed to them have a recent history of using providers in the proposed IDN network. MCO networks will not be impacted by the attribution algorithm.
10	(Appendix E, 9.5) Will there be any continuity of care requirements for IDNs?	No. Beneficiaries will continue to be free to seek care where they choose, regardless of attribution. Patients who are using providers outside the IDN to which they are attributed may continue to see that provider as they wish.
11	(Appendix E, 9.5) Will members know that they have been assigned to an IDN?	IDNs are networks of providers and social service organizations working together to foster the redesign of care. They are not patient-facing entities and are not networks in the traditional way that 'provider networks' are thought of in a managed care context. As such, beneficiaries should experience the positive impact and improved outcomes of improved care and coordination across providers, but IDNs themselves will not necessarily be 'visible' to Medicaid beneficiaries.

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12	(Appendix E, 9.5) Will IDNs have the capacity to steer patients to particular services/providers?	Under the demonstration, beneficiaries will continue to have the same choice of providers through their MCO networks as they have today, and providers participating in IDNs will not be required to refer within the IDN network. State approval of an IDN network and plan does not alter the responsibility of Integrated Delivery Networks to comply with all federal fraud and abuse requirements of the Medicaid program, including, but not limited to, the anti-kickback statute (sections 1128B(b)(1) and (2) of the Social Security Act and the physician self-referral prohibition. The state anticipates that it may provide additional guidance on its expectations around referrals as implementation continues.
13	(3.1) Is the expectation that Applications to be submitted on 5/31/16 include Letters of Intent among the parties (hospitals, PCPs, MCOs, etc.) to form an IDN?	Yes. IDN applications must include non-binding Letters of Commitment from all participating IDN organizations listed in the Application as having actively agreed to participate in the IDN.
14	(3.1) Can an MCO submit an application to serve as an administrative lead and if selected then subsequently work to secure commitments from providers to participate in the IDN? Or does that inter-organizational commitment need to be made at time of application?	The commitment needs to be made at the time of application. IDN applicants must submit preliminary information on the organizations who will be participating in the IDN with the IDN application, including non-binding Letters of Commitment from all participating IDN organizations listed in the Application as having actively agreed to participate in the IDN.
15	(General) Would an agency from Vermont be eligible to participate in this RFP?	No.



<p>16</p>	<p>Question 16 of the IDN Application template references "one time" Project Design and Capacity Building Funds" in 2016. Our question pertains to the initial equal distribution (of the 50% of the first year funding) for IDN administration and infrastructure design and operation. Are these dollars for this purpose paid in 2016 designed to last the entire 5 years? Or can a portion of the year 2-5 performance and process metric payments be allocated to the ongoing IDN administration, governance and leadership activities?</p>	<p>The Special Terms and Conditions of the demonstration allow New Hampshire to use up to 65 percent of demonstration Year 1 funding for the Project Design and Capacity Building Funds. The amount of Project Design and Capacity Building Funds allocated to each IDN will be based on a calculation with two components: 1) a fixed component, calculated assuming equal distribution of 50 percent of total available Project Design and Capacity Building funds evenly across all approved IDNs and 2) a variable component that is calculated by assuming the remaining 50 percent of Project Design and Capacity Building funds is distributed proportionately among IDNs based on their share of attributed Medicaid beneficiaries resulting from the preliminary partner network submission.</p> <p>While these Project Design and Capacity Building funds will be distributed as a one-time payment in 2016, IDNs can choose to spend these funds at any point over the 5-year demonstration. Given that these funds are intended to support upfront planning and capacity building, it is anticipated that the majority of funds will be invested by IDNs during the first year. However, since incentive funding during Years 2-5 are not guaranteed and must be earned through the achievement of milestones and metrics, IDNs may choose to reserve portions of the Project Design and Capacity Building funds to support certain activities over the course of the demonstration.</p> <p>Incentive funding earned by IDNs over the course of Years 2-5 of the demonstration can also be used to support IDN administration, governance, and leadership activities.</p>
<p>17</p>	<p>On questions 17 and 18 of the IDN Application template, IDNs are asked to provide preliminary estimates for how Project Design and Capacity Building funds will be allocated across several categories. Can the Department provide guidance to IDNs around how to handle these estimates given that a detailed gap assessment has not been completed and other state initiatives may impact these estimates? This is particularly true for staffing and HIT/HIE related estimates.</p>	<p>Given that IDNs are in the nascent stages of planning, it is understood that these estimates are highly preliminary. As part of the Project Plan development process, approved IDNs will have an opportunity to refine and update the estimates. It is anticipated that these final Project Plans will be due on September 1, 2016.</p>